

# **Agenda**

8.

9.

**Board Member Comments** 

Adjournment

# **Board of Directors**

Friday, February 3, 2023 \*\* 8:30 a.m. \*\* **Kent County Administration Building** 300 Monroe, NW • Grand Rapids, MI 49503

1.	Call to	Order		Richard Winn
2.	Oath o	f Office	– Lew Chamberlin, Experience Grand Rapids Appointee	
3.	Minute	s of Dec	cember 2, 2022, and January 6, 2023	Action
4.	Commi	ittee Re	ports	
	A.	Operat i.	tions Committee Report from Experience Grand Rapids	Mary Manier
	B.	Financ i. ii.	e Committee Consolidated Financial Statements for Periods Ending November 30, 2022, and December 31, 2022 ASM Global Financial Statements for Period Ending November 30, 2022, and December 31, 2022 – DeVos Place® and Van Andel Arena®	Action Information
		iii. iv.	Auto Parking System Periodic Reporting Kent County Lodging Excise Tax Fund Q <sub>3</sub> 2022	Information Information
5.	Grand	Rapids-	thorizing a Second Memorandum of Understanding Between Kent County Convention/Arena Authority and the Grand ation 2.0	Action
6.	Calend	Rich MacKeigan		
7.	Public (	Comme	nt	

<sup>\*\*</sup> Please note that the start time is approximate. The CAA Finance Committee meeting starts at 8:00 AM, followed by the CAA Board meeting. Timing for the CAA Board meeting varies based on how long the Committee meeting takes.

# MINUTES OF THE GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY

# **JOINT MEETING OF**

# BOARD OF DIRECTORS AND COMMITTEES VAN ANDEL ARENA® | 130 WEST FULTON | GRAND RAPIDS, MI FRIDAY, DECEMBER 2, 2022

# **Attendance**

**Board Members**: Richard Winn, Chairperson

Rosalynn Bliss Mandy Bolter M. Scott Bowen Birgit Klohs Mike Verhulst

Absent: Lew Chamberlin

**Finance Committee**: Jeff Dood

Jill Ferris Robert Herr Jay Preston

Marvin Van Nortwick

Absent: Joe Jones

Jana Wallace

**Operations** 

**Committee**: Jim Conner

Glenn Del Vecchio

Al Jano Darius Quinn

Absent: Peter D'Arienzo

John Van Fossen

**Liaison Committee**: Rosalynn Bliss

Carol Hennessy Nathaniel Moody Lindsey Thiel

Absent: Ben Greene

Jon O'Connor

**Community** 

**Inclusion Group**: Jordoun Eatman

Evette Pittman Darius Quinn

Absent: Mercedes Barragan

Omar Cuevas
Connie Dang
Rosie del Valle
Kristian Grant
Joe Jones
Minnie Morey
Darel Ross
Adrian Sotelo
Robert Womack

Staff/Others: Andrea Anderson City of Grand Rapids

Chris Anderson ASM Global Kathy Bart ASM Global Hilarie Carpenter ASM Global

Thomas Coomes Citigroup Global Markets, Inc,
Meghan Distel Broadway Grand Rapids`

Jeff Dubin SAVOR Scott Gorsline DP Fox

Tim Gortsema Grand Rapids Griffins

Jen Henkel ASM Global

Mark Hodges Grand Rapids Comic-Con

Hayden Johnson ASM Global
Todd Johnson ASM Global
Andy Kursch ASM Global
Kim Lindsay Rehmann
Chris Machuta ASM Global
Rich MacKeigan ASM Global

Mary Manier Experience Grand Rapids
Cheri McConomy McConomy Properties LLC
Brian McVicar MLive/The Grand Rapids Press

Jackie Morse ASM Global

Tim Nelson Experience Grand Rapids

Eddie Tadlock ASM Global
Brad Thomas Progressive AE
Al Vanderberg Kent County

Susan Waddell CAA

Mark Washington City of Grand Rapids
Robert White Interested Citizen
Jessica Wood Dickinson Wright
Paul Ymker Bluewater Technologies

#### 1. Call to Order

Richard Winn, Chairperson, called the meeting to order at 8:07 a.m. Staff recorded the meeting minutes. Joint Convention/Arena Authority (CAA) Board and Committee meetings are held in June and December each year.

#### 2. Minutes of November 4, 2022

Motion by Bowen, support by Klohs, to approve the November 4, 2022, Board minutes. Motion approved.

### 3. Committee Reports

### A. Operations Committee

Experience Grand Rapids Report

Ms. Manier provided an overview of the CVB's recent bookings, sales activities, marketing efforts, and major bid presentations for the month of November. The sales team hosted six site visits for potential business, held pre-planning meetings with three groups, and sent 19 new RFPs for events at DeVos Place®.

#### B. Finance Committee

i. SMG, a Division of ASM Global, Special Purpose Financial Statements as of and for the Years Ended June 30, 2022 and 2021– Rehmann

Kim Lindsay of Rehmann presented the Special Purpose Financial Statements for DeVos Place® and the Van Andel Arena®. The main purposes of the special purpose financial statements are (i) to calculate the incentive fee and (ii) to express an opinion on the DeVos Place® and Van Andel Arena® special purpose financial statements for the year ended June 30, 2022, in conformity with generally accepted accounting principles. Mr. Lindsay stated that Rehmann issued unmodified, clean audit opinions. Operating revenues for DeVos Place® totaled \$6.2 million, up from \$0. The CAA's best financial year was 2019 where operating revenues totaled \$7.36 million. Operating expenses totaled \$6.8 million, for a \$759,000 loss after the incentive management fee of \$131,025. Operating revenues at the Van Andel Arena® totaled \$7.9 million, compared to \$729,000 the prior year. The Arena's high watermark year was 2019, when operating revenues reached \$8.87 million. Expenses totaled \$4.3 million and, after subtracting the \$240,472 incentive fee, operating revenues over expenses equaled \$3.4 million.

ii. Communication from Independent Auditors Concerning SMG, a Division of ASM Global, Special Purpose Financial Statements

Mr. Lindsay reviewed the management letter. There were no control deficiencies. During the year ended June 30, 2022, Rehmann was not aware of any significant changes in accounting policies or their application during the year. There were no uncorrected misstatements or disclosure items passed identified during the audit. Rehmann received the full cooperation of SMG's management staff and had unrestricted access to SMG's senior management in the performance of the audit.

iii. Financial Statements and Supplementary Information for the Years Ended June 30, 2022 and 2021 – Rehmann

Mr. Lindsay stated that Rehmann issued an unmodified, clean opinion for the CAA's FY 2022 Financial Statements. Because the CAA is a governmental entity, the audit contains a management discussion and analysis section at the beginning of the report. Mr. Lindsay referred to the three-year balance sheets. In 2020, the CAA's net position was \$22.6 million, dropped to \$15 million in 2021, and rebounded to \$27.6 million in 2022, due to the SVOG grant that that CAA received. Referring to the statement of changes in net position, Mr. Lindsay stated that the increase in 2022 and decrease in 2021 operating revenues was a direct result of the global pandemic, causing all CAA venues to go dark in March 2020 through most of

2021. The 2022 operating revenues are near those seen in 2019, which saw attendance records broken and per event settlement at the best in the CAA's history.

iv. Single Audit Act Compliance for Year Ended June 30, 2022

Mr. Lindsay stated this item was a report on the schedule of expenditures of federal awards required by the Uniform Guidance and is not a required part of the basic financial statements. In Rehmann's opinion, the schedule of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole. Mr. Lindsay encouraged the CAA to have written policies and procedures over grants administration and that these conform with the Uniform Grant Guidance requirements, in the event of receiving federal funding in future years that would be applicable to Uniform Grant Guidance.

v. Audit Wrap-Up Letter for the Year Ended June 30, 2022

Mr. Lindsay stated that the management letter did not reveal any control deficiencies. During the year ended June 30, 2022, Rehmann was not aware of any significant changes in accounting policies or their application during the year. There were no uncorrected misstatements or disclosure items passed identified during the audit. Rehmann received the full cooperation of CAA staff. Mr. Lindsay concluded by stating the process was clean and he was pleased with the assistance provided to Rehmann staff.

Motion by Ms. Bliss, support by Ms. Klohs, to accept the SMG, a Division of ASM Global, Special Purpose Financial Statements as of and for the Years Ended June 30, 2022 and 2021. Motion carried.

Motion by Ms. Bliss, support by Mr. Verhulst, to accept, the CAA Financial Statements and Supplementary Information for the Years Ended June 30, 2022 and 2021. Motion carried.

Motion by Ms. Klohs, support by Ms. Bliss, to accept the Single Audit Act Compliance for Year Ended June 30, 2022. Motion carried.

v. Consolidated Financial Report, for the Year Ended June 30, 2022, Recap – Budget to Actual

Ms. McConomy presented the recap report as an information item.

vi. Acceptance of October 2022 Consolidated Financial Statements

Mr. Machuta presented the consolidated financial report for the period ended October 31, 2022. The Van Andel Arena® hosted four less concerts than budgeted. However, the events hosted performed consistently with expectations. October was a strong month at DeVos Place®, with most events hosted during the month performing stronger than projected.

Motion by Ms. Bolter, support by Ms. Bliss, to accept the October 2022 Consolidated Financial Statements. Motion carried.

vii. ASM Global Financial Statements for Period Ending October 31, 2022 – DeVos Place® and Van Andel Arena®

The ASM Global Financial Statements were included as information items.

# 4. Kent County Grant Agreement Regarding Covid-Related Expenses

Mr. MacKeigan recommended approval of the Grant Agreement under which Kent County would reimburse the CAA COVID-19 related business expenses incurred by the CAA, in the amount of \$511,933.86.

Motion by Ms. Klohs, support by Ms. Bolter, to approve the Kent County Grant Agreement Regarding Covid-Related Expenses. Motion carried.

# 5. ASM Global Report and Facilities Calendars

Mr. MacKeigan provided a summary of events occurring at DeVos Performance Hall and the Van Andel Arena®. Rich and his team will be on the road through February 2023 attending a CIG event in New York, ASM International Convention Center Sales meetings in Louisville, Theater meetings in New York, and the Pollstar meetings in Los Angeles.

#### 6. Public Comment

Scott Gorsline, DP Fox, invited members to attend a press conference on Monday, December 5, 11:00 a.m., for the announcement of a new professional women's sports team that will play at the Van Andel Arena®.

#### 7. Adjournment

The meeting adjourned at 9:10 a.m.	
	Susan M. Waddell, Recording Secretary

# MINUTES OF THE GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY BOARD OF DIRECTORS 300 MONROE AVENUE, NW | GRAND RAPIDS, MI FRIDAY, JANUARY 6, 2023

#### **Attendance:**

Members Present: Richard Winn, Chairperson

M. Scott Bowen Birgit Klohs

Members Absent: Rosalynn Bliss

Mandy Bolter Lew Chamberlin Mike Verhulst

Staff/Others: Kathy Bart ASM Global

Hilarie Carpenter ASM Global
Scott Gorsline DP Fox
Chris Machuta ASM Global
Rich MacKeigan ASM Global

Mary Manier Experience Grand Rapids
Cheri McConomy McConomy Properties, LLC
Brian McVicar Grand Rapids Press/MLive

Jackie Morse ASM Global

Doug Small Experience Grand Rapids

Eddie Tadlock ASM Global
Brad Thomas Progressive AE
John Van Houten Progressive AE
Al Vanderberg Kent County

Susan Waddell CAA

Mark Washington City of Grand Rapids
John Weiss Dickinson Wright
Jessica Wood Dickinson Wright

### 1. Call to Order

Chairperson, Richard Winn, started the meeting at 8:37 a.m. Because of a miscommunication regarding the meeting's start time, a quorum of members was not present. Therefore, no actions were taken.

#### 2. Minutes of Prior Meetings

No action was taken on this item.

# 3. Committee Reports

#### A. Operations Committee

There was nothing new or additional to report regarding the Operations Committee.

#### B. Finance Committee

i. Consolidated Financial Statement for Period Ending November 30, 2022

Ms. McConomy presented the financial statements for the period ending November 30, 2022. Summarizing the financial dashboard, Ms. McConomy stated that the buildings are performing \$930,000 ahead of budget, mainly due to facility operations while parking revenues have also contributed to the favorable variance. Mr. Machuta referred to the summary by facility and noted that both buildings are trending ahead of budget. Ms. McConomy stated that the ongoing capital projects are trending along with the budget.

ii. ASM Global Financial Statements for Period Ending November 30, 2022–DeVos Place® and Van Andel Arena®

Mr. Machuta stated that November was a strong month for DeVos Place®, with the successful Broadway show, Come from Away, very well-attended Comic-Con, and six strong non-arts groups events in the Performance Hall. Van Andel Arena® finished November ahead of budget and saw the Arena host the debut game of the Grand Rapids Gold basketball team.

# 4. ASM Global Calendar Update

The report was presented at the Operations Committee meeting held prior, and there was nothing new to add.

#### 5. Public Comment

None.

#### **6.** Board Member Comments

Mr. Bowen attended a recent Gold game and congratulated Rich on bringing the Grand Rapids Gold to the Arena. The product is amazing, and he is confident that attendance will grow as the team gets known.

Ms. Klohs extended congratulations to Doug Small on receiving a Lifetime Achievement Award.

Mr. Winn stated that the financial reports point to an optimistic 2023.

#### 7. Conclusion

The meeting ended at 8:47 a.m.	
	Susan M. Waddell, Recording Secretary



# Consolidated Financial Report November 30, 2022

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# **GRAND RAPIDS-KENT COUNTY**

**CONVENTION / ARENA AUTHORITY** 

Financial Dashboard Year-To-Date (5 Months) November 30, 2022

Van Andel Arena®										
All Events					Concert					
	Prior Year Budget Actual			Prior Year Budget			Actual			
Events	25	24	30		8 14		10			
Attendance	130,157	167,000	168,465	53,004	4 112,000		87,750			
<b>Event Income</b>	\$ 1,859,074	\$ 2,680,610	\$ 2,800,029	\$ 877,154	4 \$ 1,423,240	\$	1,339,876			

DeVos Place®									
		All Events	Convention/Trade						
Prior Year Budget			Actual	Prior Year	Prior Year Budget		Actual		
Events	132	144	167	34	91		62		
Attendance	67,829	173,460	171,151	20,370	89,710		67,579		
<b>Event Income</b>	\$ 1,471,972	\$ 2,293,560	\$ 2,741,587	\$ 557,799	\$ 1,488,661	\$	1,160,894		

	F	Prior Year	Budget		Actual	
Operating Income (Loss)	\$	9,716,951	\$	103,421	\$	1,034,136
Capital/Repair/Replacement		(33,787)		(656,973)		(656,973)
Net - To/(From) on Fund Balance	\$	9,683,164	\$	(553,552)	\$	377,163

\*NOTES:

<sup>(1)</sup> Unrestricted Fund Balance - 6/30/22 \$27,593,825

# Grand Rapids-Kent County Convention/Arena Authority Summary by Facility/Other Fiscal Year Ending June 30, 2023

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	7/1 - 11/30		40	
	Year-to-Date	Roll	<b>Estimate</b> <sup>(1)</sup>	Budget
Van Andel Arena				
Operating - Revenues	\$ 2,800,029	\$ 4,362,978	\$ 7,163,007	\$ 6,642,366
- Expenses - Facilities	(2,037,756)	(2,820,414)	(4,858,170)	(4,858,170)
- Base Management Fees	(76,972)	(114,349)	(191,321)	(191,321)
- Incentive Fee	-	(193,912)	(193,912)	-
Net Operating Income (Loss)	685,301	1,234,303	1,919,604	1,592,875
Parking	230,887	156,943	387,830	387,830
Pedestrian Safety	-	(65,000)	(65,000)	(65,000)
Net Proceeds (Cost) of VAA	916,188	1,326,246	2,242,434	1,915,705
<b>DeVos Place Convention Center</b>				
Operating - Revenues	2,741,587	3,689,554	6,431,141	6,229,122
- Expenses - Facilities	(2,815,779)	(4,270,491)	(7,086,270)	(7,086,270)
- Base Management Fees	(79,212)	(112,109)	(191,321)	(191,321)
- Incentive Fee	-	(188,730)	(188,730)	-
Net Operating Income (Loss)	(153,404)	(881,776)	(1,035,180)	(1,048,469)
Parking	566,626	688,295	1,254,921	1,254,921
Pedestrian Safety	-	(36,000)	(36,000)	(36,000)
Net Proceeds (Cost) of DVP	413,222	(229,481)	183,741	170,452
Other				
Revenues	114,421	53,579	168,000	168,000
Expenses	(409,694)	(684,446)	(1,094,140)	(1,094,140)
Net Other	(295,273)	(630,867)	(926,140)	(926,140)
Total Net Proceeds/Operating	1,034,136	465,899	1,500,035	1,160,017
Capital/Repair Expenditures	(656,973)	(5,422,027)	(6,079,000)	(6,079,000)
Results Net of Capital/Repair Expenditures	\$ 377,163	\$ (4,956,128)	\$ (4,578,965) (3)	

#### Notes:

- (1) Estimates compiled quarterly through third quarter (March 31) and monthly thereafter.
- (2) Includes approved budget amendments to provide for four capital project balances (\$628,900) carried over from FY22 and one capital project pulled forward from FY24 & FY25 (\$1,097,000).
- (3) Estimated Unrestricted Fund Balance will total approximately

# Grand Rapids-Kent County Convention/Arena Authority Administrative - Operating / Capital Replacement Budget FY 2023 Budget

			Actual		Appropriation
FY 2023	3 Eligible Projects:	Budget	7/1-11/30	Roll	Lapse
Van An	del Arena®				
	Suite Refresher	350,000		350,000	
	Ice Plant Refrigeration Change	90,000	\$ 64,775	25,225	
	Trash Compactor	50,000		50,000	
	New Condensor Coil	185,000		185,000	
	Custom Air Handler Damper Replacement	110,000		110,000	
	Total VAA	785,000	64,775	720,225	-
DeVos l	Place®				
20,001	Projection Theater Upgrades	250,000		250,000	
	Performance Hall LED Lighting	50,000		50,000	
	Roof Replacement - North of Skylight	1,472,000 (2)	30,000	1,442,000	
	Performance Hall Seating	350,000		350,000	
	Theater Box Seats	50,000		50,000	
	Ballroom Lighting & Controls	2,100,000	337,081	1,762,919	
	Trash Compactor	50,000		50,000	
	Total DVP	4,322,000	367,081	3,954,919	-
Both Vo	ennes				
Dom v	Radio System Upgrade	100,000		100,000	
	Small Motor Equipment	60,000	40,662	19,338	
	Computers and Accessories	150,000	85,463	64,537	
	X-Ray Inspection Systems	33,100	,	33,100	
	Total Both Venues	343,100	126,126	216,974	-
Carryo	ver (FY20& FY22) Projects				
DVP	New Sound System	183,788	98,991	84,797	
VAA	Cooling Tower/Condenser Coil	30,000	,,,,,	30,000	
VAA	Wireless Communication Devices	45,000		45,000	
VAA	Suite Refresher	370,112		370,112	
	Total Carryover	628,900 (1)	98,991	529,909	-
Total F	Y 2023 Capital Budget	\$ 6,079,000	\$ 656,973	\$ 5,422,027	<b>\$</b> -
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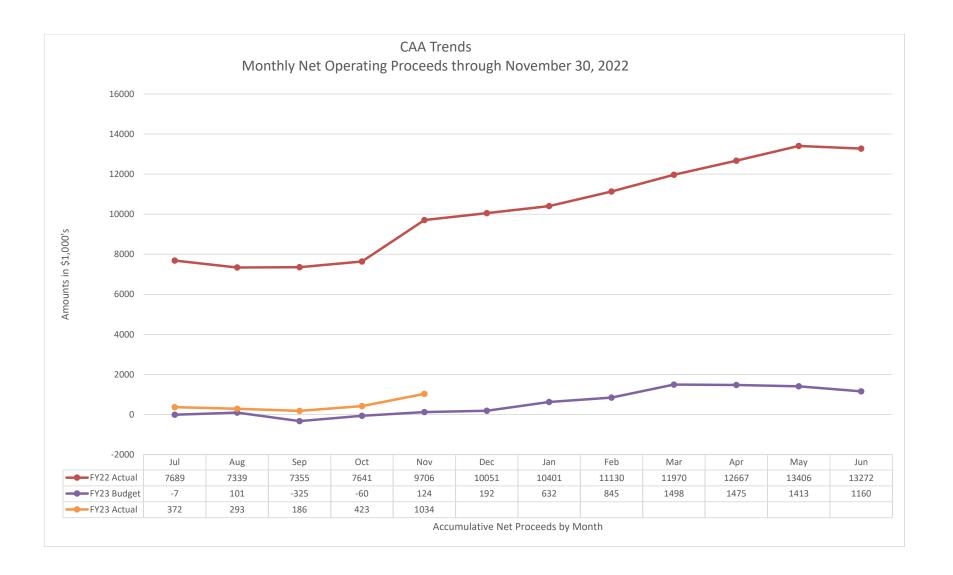
Note: The FY2023 budget, as adopted, included \$4,353,100 for capital repair/replacement projects

- (1) The July monthly financial report included a request to re-appropriate a total of \$628,900 for previous year projects that could not be completed for supply issues
- (2) The August monthly financial report included a request to pull-forward \$1,097,000 for project work previously planned for FY24 and FY25 see memo dated 9/30/22.

# Grand Rapids-Kent County Convention/Arena Authority Budget Summary by Facility/Other Financial Trends for Year Ending June 30, 2023

	Annual			Year-To-Date			
	FY 2022 Final (Audited)	FY 2023 Budget	Change Positive (Negative)	FY 2022 7/1-11/30	FY 2023 7/1 - 11/30	Change Positive (Negative)	
Van Andel Arena							
Operating - Revenues	\$ 7,934,764	\$ 6,642,366	-16.3%	\$ 1,859,074	\$ 2,800,029	50.6%	
- Expenses - Facilities	(4,108,004)	(4,858,170)	-18.3%	(1,392,768)	(2,037,756)	46.3%	
- Base Management Fees	(185,746)	(191,321)	-3.0%	(75,141)	(76,972)	2.4%	
- Incentive Fee	(240,472)	-	-	-	-	-	
Net Operating Income (Loss)	3,400,542	1,592,875	53.2%	391,165	685,301	-75.2%	
Parking	371,385	387,830	4.4%	114,572	230,887	101.5%	
Pedestrian Safety	(95,620)	(65,000)	-100.0%	(12,374)	-	-100.0%	
Net Proceeds (Cost) of VAA	3,676,307	1,915,705	-91.9%	493,363	916,188	-85.7%	
<b>DeVos Place Convention Center</b>							
Operating - Revenues	6,202,108	6,229,122	0.4%	1,471,972	2,741,587	86.3%	
- Expenses - Facilities	(6,644,386)	(7,086,270)	-6.7%	(2,222,007)	(2,815,779)	26.7%	
- Base Management Fees	(185,749)	(191,321)	-3.0%	(75,141)	(79,212)	5.4%	
- Incentive Fee	(131,025)					0.0%	
Net Operating Income (Loss)	(759,052)	(1,048,469)	-38.1%	(825,176)	(153,404)	81.4%	
Parking	1,071,815	1,254,921	17.1%	287,189	566,626	97.3%	
Pedestrian Safety	(29,512)	(36,000)	22.0%	(5,212)	=	-100.0%	
Net Proceeds (Cost) of DVP	283,251	170,452	-66.2%	(543,199)	413,222	176.1%	
Other							
Revenues	10,624,750	168,000	-98.4%	10,094,960	114,421	-98.9%	
Expenses	(871,057)	(1,094,140)	-25.6%	(328,173)	(409,694)	24.8%	
Net Other	9,753,693	(926,140)	-81.0%	9,766,786	(295,273)	-103.0%	
<b>Total Net Proceeds/Operating</b>	13,713,251	1,160,017	78.0%	9,716,951	1,034,136	89.4%	
Capital/Repair Expenditures	(1,051,672)	(6,079,000)	52.0%	(33,787)	(656,973)	-1844.5%	
Results Net of Capital Expenditures	\$ 12,661,579	\$ (4,918,983)	71.0%	\$ 9,683,164	\$ 377,163	-96.1%	

NOTES: Combined net proceeds of VAA & DVP is just over \$965,000 improvement over same point prior fiscal year.



# Grand Rapids-Kent County Convention/Arena Authority Administrative Accounts Net Other Detail November 31, 2022

	Annual			Actual			
	FY 2022 Final (Audited)	FY 2023 Budget	Change Positive (Negative)	FY 2022 7/1-11/30	FY 2023 7/1-11/30	Change Positive (Negative)	
Other			_				
Revenues							
Interest/Capital Contr.	\$ 144,201	\$ 100,000	-30.7%	\$ 94,960	\$ 112,621	18.6%	
Miscellaneous	10,480,549	68,000	-99.4%	10,000,000	1,800	-100.0%	
	10,624,750	168,000	-98.4%	10,094,960	114,421	-98.9%	
Expenses							
Arena 25-Year Recognition/New							
Venue Awareness	39,626	100,000	-100.0%	40,475	-	100.0%	
Marketing (CVB/Sports)	200,000	200,000	0.0%	66,667	66,667	0.0%	
Diversity Initiative	9,817	200,000	-1937.3%	2,750	62,346	-2167.1%	
Wages/Benefits	147,035	111,800	24.0%	49,368	20,089	59.3%	
Professional Services	167,381	135,570	19.0%	47,837	81,782	-71.0%	
DID Assessment	63,806	65,720	-3.0%	31,903	66,646	-108.9%	
Food & Beverage Repairs	-	45,000	-100.0%	-	-	0%	
Consulting Services	132,561	143,165 (1)	-8.0%	37,580	29,429	21.7%	
Landscaping	25,909	27,810	-7.3%	3,526	3,919	-11.1%	
Procurement of Art	25,958	30,000	-100.0%	10,237	20,083	-96.2%	
Insurance	19,392	25,075	-29.3%	25,075	25,542	-1.9%	
Supplies/Other	39,572	10,000	74.7%	12,756	33,191	-160.2%	
	871,057	1,094,140	-25.6%	328,173	409,694	-24.8%	
Net Proceeds - Operating	\$ 9,753,693	\$ (926,140)	109.5%	\$ 9,766,786	\$ (295,273)	-103.0%	

Notes:

 $<sup>^{(1)}</sup>$  SMG -  $\$57,\!165;$  Potomac Strategic Development -  $\$36,\!000;$  Progressive AE -  $\$50,\!000$ 



# Consolidated Financial Report December 31, 2022

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# Financial Dashboard Year-To-Date (6 Months) December 31, 2022

Van Andel Arena®									
	All Events			Concert					
	Prior Year	Budget	Actual	Prior Year	Budget		Actual		
Events	37	30	45	13	17		13		
Attendance	192,755	209,500	264,423	89,817	138,000		115,900		
<b>Event Income</b>	\$ 2,573,121	\$ 3,360,123	\$ 4,161,128	\$ 1,331,415	\$ 1,731,678	\$	1,724,514		

DeVos Place®									
		All Events			Convention/Trade	)			
	Prior Year	Budget	Actual	Prior Year	Budget		Actual		
Events	163	172	205	46	102		74		
Attendance	102,576	213,410	218,661	33,470	102,710		81,529		
<b>Event Income</b>	\$ 1,990,897	\$ 2,691,641	\$ 3,412,356	\$ 815,187	\$ 1,712,596	\$	1,391,205		

	 Prior Year	Budget Actual		Actual	
Operating Income (Loss)	\$ 10,015,866	\$	188,324	\$	1,823,380
Capital/Repair/Replacement	(35,959)		(2,059,857)		(2,059,857)
Net - To/(From) on Fund Balance	\$ 9,979,907	\$	(1,871,533)	\$	(236,477)

\*NOTES:

(1) Unrestricted Fund Balance - 6/30/22 \$27,593,825

# Grand Rapids-Kent County Convention/Arena Authority Summary by Facility/Other Fiscal Year Ending June 30, 2023

FY 2023

	7/1 - 12/31/22			
	Year-to-Date	Roll	Estimate <sup>(1)</sup>	Budget
Van Andel Arena				
Operating - Revenues	\$ 4,161,128	\$ 3,457,850	\$ 7,618,978	\$ 6,642,366
- Expenses - Facilities	(2,563,664)	(2,482,833)	(5,046,497)	(4,858,170)
- Base Management Fees	(92,915)	(98,406)	(191,321)	(191,321)
- Incentive Fee	-	(189,498)	(189,498)	-
Net Operating Income (Loss)	1,504,549	687,113	2,191,662	1,592,875
Parking	272,449	115,381	387,830	387,830
Pedestrian Safety	-	(65,000)	(65,000)	(65,000)
Net Proceeds (Cost) of VAA	1,776,998	737,494	2,514,492	1,915,705
<b>DeVos Place Convention Center</b>				
Operating - Revenues	3,412,356	3,536,085	6,948,441	6,229,122
- Expenses - Facilities	(3,602,553)	(3,587,214)	(7,189,767)	(7,086,270)
- Base Management Fees	(95,155)	(96,166)	(191,321)	(191,321)
- Incentive Fee	-	(193,144)	(193,144)	-
Net Operating Income (Loss)	(285,352)	(340,439)	(625,791)	(1,048,469)
Parking	691,279	563,642	1,254,921	1,254,921
Pedestrian Safety	-	(36,000)	(36,000)	(36,000)
Net Proceeds (Cost) of DVP	405,927	187,203	593,130	170,452
Other				
Revenues	114,696	53,304	168,000	168,000
Expenses	(474,241)	(619,899)	(1,094,140)	(1,094,140)
Net Other	(359,545)	(566,595)	(926,140)	(926,140)
Total Net Proceeds/Operating	1,823,380	358,102	2,181,482	1,160,017
Capital/Repair Expenditures	(2,059,857)	(4,019,143)	(6,079,000)	(6,079,000)
Results Net of Capital/Repair Expenditures	\$ (236,477)	\$ (3,661,041)	\$ (3,897,518) <sup>(3)</sup>	\$ (4,918,983)

#### Notes:

- (1) Estimates compiled quarterly through third quarter (March 31) and monthly thereafter.
- (2) Includes approved budget amendments to provide for four capital project balances (\$628,900) carried over from FY22 and one capital project (\$1,097,000) pulled forward from FY24 & FY25
- (3) At fiscal year end, estimated Unrestricted Fund Balance will total approximately \$23,696,307

# Grand Rapids-Kent County Convention/Arena Authority Administrative - Operating / Capital Replacement Budget FY 2023 Budget

	1 1 2023 Duage	Actual		Appropriation	
FY 2023 Eligible Projects:	Budget	7/1-12/31/22	Roll	Lapse	
Van Andel Arena®					
Suite Refresher	350,000		350,000		
Ice Plant Refrigeration Change	90,000	\$ 64,775	25,225		
Trash Compactor	50,000	Ψ 01,775	50,000		
New Condensor Coil	,		· ·		
	185,000	<b>*</b> 111 722	185,000		
Custom Air Handler Damper Replacement  Total VAA	785,000	\$ 114,522 <b>179,297</b>	(4,522) <b>605,703</b>		
Total VIII	705,000	117,271	005,705		
DeVos Place®					
Projection Theater Upgrades	250,000		250,000		
Performance Hall LED Lighting	50,000		50,000		
Roof Replacement - North of Skylight	1,472,000 (	943,544	528,456		
Performance Hall Seating	350,000	1,275	348,725		
Theater Box Seats	50,000		50,000		
Ballroom Lighting & Controls	2,100,000	571,677	1,528,323		
Trash Compactor	50,000		50,000		
Total DVP	4,322,000	1,516,496	2,805,504		
Both Venues					
Radio System Upgrade	100,000		100,000		
Small Motor Equipment	60,000	40,662	19,338		
Computers and Accessories	150,000	98,243	51,757		
X-Ray Inspection Systems	33,100	33,100	_		
<b>Total Both Venues</b>	343,100	172,005	171,095		
Carryover (FY20& FY22) Projects					
DVP New Sound System	183,788	138,226	45,562		
VAA Cooling Tower/Condenser Coil	30,000		30,000		
VAA Wireless Communication Devices	45,000	53,833	(8,833)		
VAA Suite Refresher	370,112		370,112		
Total Carryover	<b>628,900</b> (	192,059	436,841	-	
Total FY 2023 Capital Budget	\$ 6,079,000	\$ 2,059,857	\$ 4,019,143	\$	

Note: The FY2023 budget, as adopted, included \$4,353,100 for capital repair/replacement projects

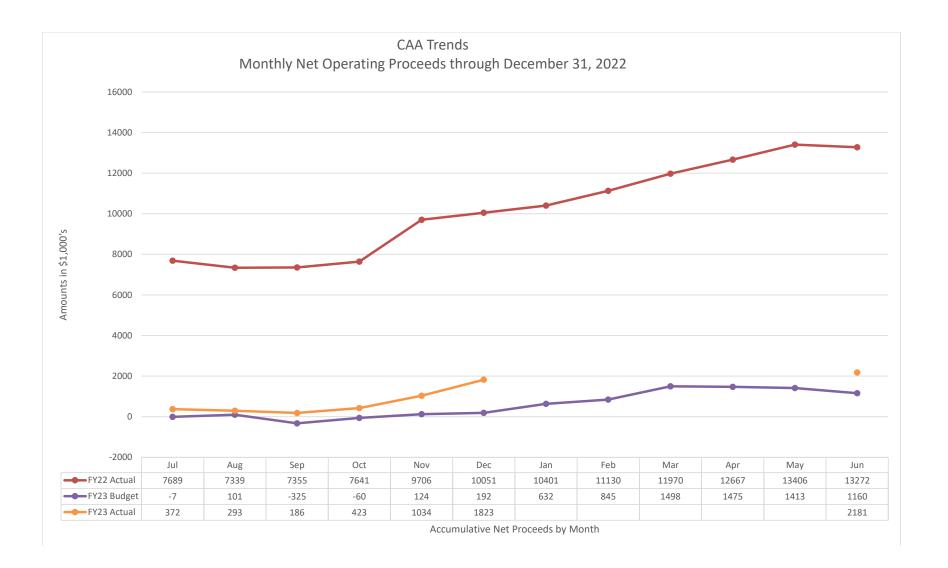
<sup>(1)</sup> The July monthly financial report included a request to re-appropriate a total of \$628,900 for previous year projects that could not be completed for supply issues

<sup>(2)</sup> The August monthly financial report included a request to pull-forward \$1,097,000 for project work previously planned for FY24 and FY25 - see memo dated 9/30/22.

# Grand Rapids-Kent County Convention/Arena Authority Budget Summary by Facility/Other Financial Trends for Year Ending June 30, 2023

	Annual			Year-To-Date			
	FY 2022 Final (Audited)	FY 2023 Budget	Change Positive (Negative)	FY 2022 7/1-12/31/21	FY 2023 7/1 - 12/31/22	Change Positive (Negative)	
Van Andel Arena							
Operating - Revenues	\$ 7,934,764	\$ 6,642,366	-16.3%	\$ 2,573,121	\$ 4,161,128	61.7%	
- Expenses - Facilities	(4,108,004)	(4,858,170)	-18.3%	(1,764,673)	(2,563,664)	45.3%	
- Base Management Fees	(185,746)	(191,321)	-3.0%	(90,169)	(92,915)	3.0%	
- Incentive Fee	(240,472)	<u> </u>			<u> </u>		
Net Operating Income (Loss)	3,400,542	1,592,875	53.2%	718,279	1,504,549	109.5%	
Parking	371,385	387,830	4.4%	160,237	272,449	70.0%	
Pedestrian Safety	(95,620)	(65,000)	-100.0%	(12,374)		-100.0%	
Net Proceeds (Cost) of VAA	3,676,307	1,915,705	-91.9%	866,142	1,776,998	105.2%	
<b>DeVos Place Convention Center</b>							
Operating - Revenues	6,202,108	6,229,122	0.4%	1,990,897	3,412,356	71.4%	
- Expenses - Facilities	(6,644,386)	(7,086,270)	-6.7%	(2,843,411)	(3,602,553)	26.7%	
- Base Management Fees	(185,749)	(191,321)	-3.0%	(90,169)	(95,155)	5.5%	
- Incentive Fee	(131,025)					0.0%	
Net Operating Income (Loss)	(759,052)	(1,048,469)	-38.1%	(942,683)	(285,352)	69.7%	
Parking	1,071,815	1,254,921	17.1%	427,451	691,279	61.7%	
Pedestrian Safety	(29,512)	(36,000)	22.0%	(5,212)		-100.0%	
Net Proceeds (Cost) of DVP	283,251	170,452	-66.2%	(520,444)	405,927	178.0%	
Other							
Revenues	10,624,750	168,000	-98.4%	10,060,111	114,696	-98.9%	
Expenses	(871,057)	(1,094,140)	-25.6%	(389,943)	(474,241)	21.6%	
Net Other	9,753,693	(926,140)	-81.0%	9,670,168	(359,545)	-103.7%	
<b>Total Net Proceeds/Operating</b>	13,713,251	1,160,017	78.0%	10,015,866	1,823,380	-81.8%	
Capital/Repair Expenditures	(1,051,672)	(6,079,000)	52.0%	(35,959)	(2,059,857)	-5628.3%	
Results Net of Capital Expenditures	\$ 12,661,579	\$ (4,918,983)	71.0%	\$ 9,979,907	\$ (236,477)	-102.4%	

NOTES: Combined net proceeds of VAA & DVP is just over \$965,000 improvement over same point prior fiscal year.



# Grand Rapids-Kent County Convention/Arena Authority Administrative Accounts Net Other Detail December 31, 2022

		Annual		Actual			
	FY 2022 FY 2023 Final (Audited) Budget		Change Positive (Negative)	FY 2022 7/1-12/31/22	FY 2023 7/1-12/31/23	Change Positive (Negative)	
Other							
Revenues							
Interest/Capital Contr.	\$ 144,201	\$ 100,000	-30.7%	\$ 60,111	\$ 112,896	87.8%	
Miscellaneous	10,480,549	68,000	-99.4%	10,000,000	1,800	-100.0%	
	10,624,750	168,000	-98.4%	10,060,111	114,696	-98.9%	
Expenses							
Arena 25-Year Recognition/New							
Venue Awareness	39,626	100,000	-100.0%	44,975	-	100.0%	
Marketing (CVB/Sports)	200,000	200,000	0.0%	66,667	66,667	0.0%	
Diversity Initiative	9,817	200,000	-1937.3%	2,906	67,147	-2210.6%	
Wages/Benefits	147,035	111,800	24.0%	60,989	33,746	44.7%	
Professional Services	167,381	135,570	19.0%	56,412	93,372	-65.5%	
DID Assessment	63,806	65,720	-3.0%	63,806	66,646	-4.5%	
Food & Beverage Repairs	-	45,000	-100.0%	-	-	0%	
Consulting Services	132,561	143,165 (1)	-8.0%	40,580	46,857	-15.5%	
Landscaping	25,909	27,810	-7.3%	3,526	11,280	-219.9%	
Procurement of Art	25,958	30,000	-100.0%	10,237	25,283	-147.0%	
Insurance	19,392	25,075	-29.3%	25,075	25,542	-1.9%	
Supplies/Other	39,572	10,000	74.7%	14,771	37,701	-155.2%	
	871,057	1,094,140	-25.6%	389,943	474,241	-21.6%	
Net Proceeds - Operating	\$ 9,753,693	\$ (926,140)	109.5%	\$ 9,670,168	\$ (359,545)	-103.7%	

Notes:

 $<sup>^{(1)}</sup>$  SMG -  $\$57,\!165;$  Potomac Strategic Development -  $\$36,\!000;$  Progressive AE -  $\$50,\!000$ 

# DEVOSPLACE

# **DE VOS PLACE**

# FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2022

#### Distribution:

Grand Rapids – Kent County Convention / Arena Authority Cheri McConomy Tony Cima Jeffrey Wong David Schmid Richard MacKeigan Chris Machuta



#### DE VOS PLACE ROLLING FORECAST FISCAL YEAR ENDING JUNE 30, 2023

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	167	229	396	368	28
ATTENDANCE	171,151	403,652	574,803	563,920	10,883
DIRECT EVENT INCOME	1,118,356	2,279,351	3,397,707	3,431,950	(34,243)
ANCILLARY INCOME	1,168,925	1,099,046	2,267,971	2,208,772	59,199
OTHER EVENT INCOME	415,776	268,595	684,371	538,400	145,971
TOTAL EVENT REVENUE	2,703,057	3,646,992	6,350,049	6,179,122	170,927
TOTAL OTHER REVENUE	38,530	42,562	81,092	50,000	31,092
TOTAL OPERATING REVENUE	2,741,587	3,689,554	6,431,141	6,229,122	202,019
INDIRECT EXPENSES					
EXECUTIVE	88,084	207,956	296,040	296,040	-
FINANCE	124,106	214,023	338,129	338,129	-
MARKETING	89,288	125,258	214,546	214,546	-
OPERATIONS	594,604	1,140,389	1,734,993	1,734,993	-
EVENT SERVICES	743,260	777,549	1,520,809	1,520,809	-
BOX OFFICE	94,520	227,024	321,544	321,544	-
SALES	171,695	411,184	582,879	582,879	-
OVERHEAD	989,434	1,279,217	2,268,651	2,268,651	-
TOTAL OPERATING EXP.	2,894,991	4,382,600	7,277,591	7,277,591	-
NET REVENUE ABOVE EXPENSES	(153,404)	(693,046)	(846,450)	(1,048,469)	202,019
INCENTIVE FEE		188,730	188,730	0	(188,730)
NET OPERATING REVENUE OVER	(153,404)	(881,776)	(1,035,180)	(1,048,469)	13,289
OPERATING EXPENSES	-			_	

### Comments:

November was another strong month for the convention center with strong selling Broadway show Come From Away, well attended Comic-Con and 6 strong non-arts groups events in the Performance Hall.

General Manager

- DocuSigned by:

Assistant General Manager

### DE VOS PLACE FINANCIAL STATEMENT HIGHLIGHTS FISCAL YEAR ENDING JUNE 30, 2022

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	November Actual	November Budget	November FY 2022
Number of Events	42	32	27
Attendance	66,151	42,100	33,804
Direct Event Income	\$324,387	\$275,260	\$222,393
Ancillary Income	189,519	180,706	105,364
Other Event Income	224,237	57,400	117,107
Other Operating Income	9,182	4,166	5,740
Indirect Expenses	(675,232)	(606,470)	(504,399)
Net Income	\$72,093	(\$88,938)	(\$53,795)

YTD	YTD 2022	YTD 2022	YTD 2021
	Actual	Budget	Prior Year
Number of Events	167	144	132
Attendance	171,151	173,460	67,829
Direct Event Income	\$1,118,356	\$1,195,543	\$724,298
Ancillary Income	1,168,925	883,287	533,622
Other Event Income	415,776	193,900	182,807
Other Operating Income	38,530	20,830	31,245
Indirect Expenses	(2,894,991)	(3,032,350)	(2,297,148)
Net Income	(\$153,404)	(\$738,790)	(\$825,176)

# **EVENT INCOME**

Event income finished a little ahead of budget with most of the overage coming from 6 non-arts groups events in the Performance Hall.

# ANCILLARY INCOME

Ancillary income came in constent with budget overall.

#### **INDIRECT EXPENSES**

Indirect expenses came in higher than budget for the month, however, remain ahead of budget for the fiscal year as a whole.

### DeVos Place Income Statement For the Five Months Ended November 30, 2022

	Current Menth C	···rrant Manth		Current Menth	Voor to Data	Vaarta Data		Voor to Data
	Current Month C Actual	Budget	Variance	Current Month Prior Year	Actual	Budget	Variance	Year to Date Prior Year
						<u> </u>		
Event Income								
Direct Event Income	¢202 720	<b>CO7C 440</b>	ф 07.000	<b>CO14 4CC</b>	£4 202 047	<b>#4 000 000</b>	<b>.</b> 400.044	<b>#700.055</b>
Rental Income Service Revenue	\$363,730 466,879	\$276,440 385,870	\$ 87,290 81,009	\$241,166 244,683	\$1,393,047 1,377,494	\$1,206,233 1,215,591	\$ 186,814 161,903	\$769,355 724,431
Service Expenses	(506,222)	(387,050)	(119,172)		(1,652,185)	(1,226,281)	(425,904)	(769,488)
Total Disease Front Income	204 207	075.000	40.407	000 000	4 440 050	4.405.540	(77.407)	704.000
Total Direct Event Income	324,387	275,260	49,127 	222,393	1,118,356 	1,195,543	(77,187)	724,298
Ancillary Income								
F&B Concession	40,453	10,742	29,711	19,298	110,910	54,082	56,828	52,615
F&B Catering	69,369	64,894	4,475	20,689	453,961	334,234	119,727	179,781
Novelty Sales	5,042	1,940	3,102	2,659	16,561	5,280	11,281	8,173
Booth Cleaning	18,842	24,869	(6,027)		138,663	113,077	25,586	75,344
Telephone/Long Distance	0	-	-	0	0	-	-	0
Electrical Services	15,800	28,616	(12,816)	11,485	162,548	146,313	16,235	67,934
Audio Visual	18,426	23,600	(5,174)	18,387	168,789	129,699	39,090	80,281
Internet Services	3,667	7,199	4,764	1,197	50,537	35,072	15,465	16,878
Equipment Rental	17,920	18,846	(926)	13,200	66,956	65,530	1,426	52,616
Total Ancillary Income	189,519	180,706	8,813	105,364	1,168,925	883,287	285,638	533,622
Other Event Income								
Ticket Rebates(Per Event)	224,237	57,400	166,837	117,107	415,776	193,900	221,876	182,807
Total Other Event Income	224,237	57,400	166,837	117,107	415,776	193,900	221,876	182,807
Total Event Income	738,143	513,366	224,777	444,864	2,703,057	2,272,730	430,327	1,440,727
Other Operating Income	204	4 000	(500)		4 004	0.005	(0.044)	•
Luxury Box Agreements	804	1,333	(529)		4,021	6,665	(2,644)	0
Advertising Other Income	0 8,378	1,000 1,833	(1,000) 6,545	0 5,740	0 34,509	5,000 9,165	(5,000) 25,344	0 31,245
Other income		1,000		5,740		9,105	25,344	31,243
Total Other Operating Income	9,182	4,166	5,016	5,740	38,530	20,830	17,700	31,245
Adjusted Gross Income	747,325	517,532	229,793	450,604	2,741,587	2,293,560	448,027	1,471,972
,						-,,		
Operating Expenses								
Salaries and Wages	413,660	315,797	97,863	297,648	1,805,553	1,578,985	226,568	1,344,203
Payroll Taxes and Benefits	129,431	99,956	29,475	91,272	564,805	499,780	65,025	465,129
Labor Allocations to Events	(298,923)	(152,700)	(146,223)	(197,333)	(1,281,802)	(763,500)	(518,302)	(881,056)
Net Salaries and Benefits	244,168	263,053	(18,885)	191,587	1,088,556	1,315,265	(226,709)	928,276
Contracted Services	56,256	39,217	17,039	36,701	254,666	196,085	58,581	159,892
General and Administrative	62,128	39,603	22,525	29,676	236,799	198,015	38,784	137,976
Operations	9,803	13,852	(4,049)		105,402	69,260	36,142	60,140
Repair and Maintenance	72,633	48,667	23,966	57,641	234,306	243,335	(9,029)	234,421
Operational Supplies	21,666	25,675	(4,009)	4,199	97,024	128,375	(31,351)	75,543
Insurance	48,088	32,725	15,363	27,822	161,094	163,625	(2,531)	98,446
Utilities	144,547	127,734	16,813	101,827	637,932	638,670	(738)	527,313
SMG Management Fees	15,943	15,944	(1)	15,028	79,212	79,720	(508)	75,141
Total Operating Expenses	675,232	606,470	68,762	504,399	2,894,991	3,032,350	(137,359)	2,297,148
Net Income(Loss) From Operati	72,093 ====================================	(88,938)	161,031 ========		(153,404) ======	(738,790) ======	585,386 ======	(825,176) ======
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	72,093	(88,938)	161,031		(153,404)	(738,790)	585,386	(825,176)
	=======================================	=======		=======	=======	========	========	========

SMG DeVos Place Grand Rapids - Kent County Convention/Arena Authority Year to Date Event Summary Report For the Four Months Ended October 31, 2022

	Events	/Days	Attenda	Attendance		it Income
Event Type	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	62	91	67,579	89,710	1,160,894	1,488,661
Consumer/Gated Shows	5	6	13,603	14,000	90,068	102,033
DeVos Performance Hall	51	41	67,577	57,750	806,796	529,410
Banquets	10	-	8,555	-	116,515	-
Meetings	30	6	8,527	12,000	504,397	152,626
Other	9	-	5,310	-	24,386	-
GRAND TOTALS	167	144	171,151	173,460	2,703,057	2,272,730
As Percentage of Overall						
Convention/Trade Shows	37.13%	63.19%	39.49%	51.72%	42.95%	65.50%
Consumer/Gated Shows	2.99%	4.17%	7.95%	8.07%	3.33%	4.49%
Devos Performance Hall	30.54%	28.47%	39.48%	33.29%	29.85%	23.29%
Ballroom Exclusive	5.99%	0.00%	5.00%	0.00%	4.31%	0.00%
Meetings	17.96%	4.17%	4.98%	6.92%	18.66%	6.72%
Other	5.39%	0.00%	3.10%	0.00%	0.90%	0.00%

**Total Liabilities and Equity** 

# DeVos Place Balance Sheet As of November 30, 2022

# **ASSETS**

Current Assets Cash Account Receivable Prepaid Expenses  Total Current Assets	3,507,126 1,342,060 205,691	\$5,054,877
		<b>4</b> 0,00 1,01 1
Total Assets		\$5,054,877
LIABILITIES AND EQUI	TY	
Current Liabilities Accounts Payable Accrued Expenses Deferred Income Advanced Ticket Sales & Deposits	874,184 113,636 323,310 2,663,287	
Total Current Liabilities		\$3,974,417
Other Liabilities		
Equity Funds Remitted to CAA Funds Received by CAA Expenses Paid Direct by CAA Beginning Balance Equity Current Year Equity	(27,500) 764,488 496,877 (153,404)	
Total Equity		\$1,080,461

\$5,054,877

# SMG - DeVos Place Grand Rapids - Kent County Convention/Arena Authority Summary of Accounts Receivable As of November 30, 2022

Current - Under 30 Days	
Food & Beverage	110,514
Ticketing	56,050
Merchandise	503
Decorating	18,842
Audio/Visual	18,426
Van Andel Arena	533,589
Operating	362,778
Over 30 Days Over 60 Days	133,487 107,871
Over 90 Days	
Total Accounts Receivable	1,342,060

# SMG - Van Andel Arena & DeVos Place Grand Rapids - Kent County Convention/Arena Authority Management Fee Summary Fiscal Year Ending June 30, 2022

#### MANAGEMENT FEE SUMMARY

	Arena	DeVos Place	Total	FY 2022
	Estimate	Estimate	Estimate	Actual
Net Revenue above Expenses	2,113,516	(846,450)	1,267,066	3,012,987
Benchmark++			1,050,000	1,050,000
Excess	2,113,516	(846,450)	217,066	1,962,987

Incentive Fee Calculation (Only if above greater than zero)

Base Fee	Arena Estimate 191,321	DeVos Place Estimate 191,321	Total Estimate 382,642	Total Unaudited 371,497
Incentive Fee				
Revenue	7,163,007	6,431,141	13,594,148	14,136,872
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess Incentive Fee **	1,143,385 193,912	1,112,833 188,730	2,256,218 382,642	3,687,167 371,497
meentive rec	193,912	100,750	362,042	3/1,7/
Total SMG Management Fee	385,233	380,051	765,284	742,994

<sup>\*\*</sup> Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

<sup>++</sup> SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts: Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee. Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee. Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



# VAN ANDEL ARENA

# FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED NOVEMBER 30, 2022

PROUD HOME OF THE GRAND RAPIDS GRIFFINS AND GRAND RAPIDS GOLD

# Distribution:

Grand Rapids – Kent County Convention / Arena Authority Cheri McConomy Tony Cima Jeffrey Wong David Schmid Richard MacKeigan Chris Machuta



VAN ANDEL ARENA ROLLING FORECAST FISCAL YEAR ENDING JUNE 30, 2023

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS ATTENDANCE	30 168,465	80 442,880	110 611,345	86 561,500	24 49,845
DIRECT EVENT INCOME ANCILLARY INCOME	440,101 888,337	1,091,044 1,056,794	1,531,145 1,945,131	1,401,940 1,716,326	129,205 228,805
TOTAL EVENT INCOME	1,888,499	748,238 2,896,076	1,308,299	1,195,500 4,313,766	112,799 470,809
TOTAL OTHER INCOME TOTAL INCOME	911,530 2,800,029	1,466,902 4,362,978	2,378,432 7,163,007	2,328,600 6,642,366	49,832 520,641
INDIRECT EXPENSES EXECUTIVE	101,727	189,815	291,542	291,542	-
FINANCE MARKETING OPERATIONS	102,007 124,498 1,088,619	180,448 202,647	282,455 327,145	282,455 327,145	-
BOX OFFICE SKYWALK ADMIN	85,813 8,008	1,254,247 198,229 46,092	2,342,866 284,042 54,100	2,342,866 284,042 54,100	- - -
OVERHEAD  TOTAL INDIRECT EXP.	604,059	863,282 2,934,760	1,467,341 5,049,491	1,467,341 5,049,491	-
NET REVENUE ABOVE EXPENSES	685,301	1,428,218	2,113,516	1,592,875	520,641
LESS INCENTIVE FEE		193,912	193,912	-	(193,912)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	685,301	1,234,306	1,919,604	1,592,875	326,729

#### Comments:

November finished ahead of budget overall and saw the arena host the debut game of the Grand Rapids Gold.

General Manager

DocuSigned by:

10BEBDDB52E245A

Assistant General Manager

# VAN ANDEL ARENA FINANCIAL STATEMENT HIGHLIGHTS FOR FISCAL YEAR ENDING JUNE 30, 2023

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	November Actual	November Budget	November FY 2022
Number of Events	14	10	9
Attendance	56,561	62,500	57,737
Direct Event Income	\$80,356	\$95,055	\$169,431
Ancillary Income	320,062	211,020	212,406
Other Event Income	115,145	108,000	155,041
Other Operating Income	172,314	199,972	168,068
Indirect Expenses	(408,744)	(420,794)	(323,640)
Net Income	\$279,133	\$193,253	\$381,306

YTD	YTD 2023	YTD 2023	YTD 2022
	Actual	Budget	Prior Year
Number of Events	30	24	25
Attendance	168,465	167,000	130,157
Direct Event Income	\$440,101	\$553,650	\$554,055
Ancillary Income	888,337	587,100	541,361
Other Event Income	560,061	540,000	388,840
Other Operating Income	911,530	999,860	374,818
Indirect Expenses	(2,114,728)	(2,103,970)	(1,467,909)
Net Income	\$685,301	\$576,640	\$391,165

# **EVENT INCOME**

Event income came in just under budget overall.

#### ANCILLARY INCOME

Ancillary income came in well ahead of budget as per caps continue to be strong highlighted by a near record setting per cap for Koe Wetzel/Jelly Roll concert.

#### INDIRECT EXPENSES

Indirect expenses continue to trend very consistent with budget overall.

### Van Andel Arena Income Statement For the Five Months Ended November 30, 2022

	Current Month Actual	Current Month	Variance	Current Month Prior Year	Year to Date Actual	Year to Date	Variance	Year to Date Prior Year
	Actual	Budget	Variance	Phor Year	Actual	Budget	variance	Pilor real
Event Income Direct Event Income Rental Income	\$ 301,060	\$ 218,055	. ,		\$ 830,445	. ,		. ,
Service Revenue Service Expenses	291,417 (512,121)	194,000 (317,000)	97,417 (195,121)	302,148 (414,567)	1,509,359 (1,899,703)	920,000 (1,160,000)	589,359 (739,703)	758,953 (1,016,579)
Total Direct Event Income	80,356	95,055	(14,699)	169,431	440,101	553,650	(113,549)	554,055
Ancillary Income								
F&B Concession	283,579	183,720	99,859	171,926	742,907	489,600	253,307	459,782
F&B Catering	23,338 13,145	17,940 9,360	5,398 3,785	15,320 25,160	75,164 69,630	50,700 46,800	24,464 22,830	34,324 47,160
Novelty Sales Booth Cleaning	13,145	9,360	3,765	25,160	69,630	40,000	22,630	47,100
Audio Visual	_	_	_	_	636	-	636	95
Other Ancillary	-	-	-	-	-	-	-	-
Total Ancillary Income	320,062	211,020	109,042	212,406	888,337	587,100	301,237	541,361
Other Event Income								
Ticket Rebates(Per Event)	115,145	108,000	7,145 	155,041	560,061	540,000	20,061	388,840
Total Other Event Income	115,145	108,000	7,145 	155,041	560,061	540,000	20,061	388,840
Total Event Income	515,563	414,075	101,488	536,878	1,888,499	1,680,750	207,749	1,484,256
Other Operating Income								
Luxury Box Agreements	123,248	141,888	(18,640)	129,754	646,262	709,440	(63,178)	283,902
Advertising	48,000	52,084	(4,084)		260,270	260,420	(150)	76,000
Other Income	1,066	6,000	(4,934)	314	4,998	30,000	(25,002)	14,916
Total Other Operating Income	172,314	199,972	(27,658)	168,068	911,530	999,860	(88,330)	374,818
Adjusted Gross Income	687,877	614,047	73,830	704,946	2,800,029	2,680,610	119,419	1,859,074
Operating Expenses								
Salaries and Wages	183.032	201,334	(18,302)	190,691	1,174,007	1,006,670	167,337	650,873
Payroll Taxes and Benefits	57,383	60,119	(2,736)		358,791	300,595	58,196	227,583
Labor Allocations to Events	(144,148)	(82,886)	(61,262)	(129,790)	(671,963)	(414,430)	(257,533)	(293,177)
Net Salaries and Benefits	96,267	178,567	(82,300)	130,556	860,835	892,835 	(32,000)	585,279
Contracted Services	41,255	36,600	4,655	21,807	178,407	183,000	(4,593)	114,275
General and Administrative	54,289	33,831	20,458	23,412	211,501	169,155	42,346	145,908
Operations	7,107	7,184	(77)		29,399	35,920	(6,521)	12,715
Repair and Maintenance	49,740	31,375	18,365		221,915	156,875	65,040	110,949
Operational Supplies Insurance	34,278 34,480	23,017 23,667	11,261 10,813		104,665 114,984	115,085 118,335	(10,420) (3,351)	
Utilities	75,385	70,609	4,776	64,357	,	353,045	(36,995)	
SMG Management Fees	15,943	15,944	(1)	15,028	76,972	79,720	(2,748)	
Total Operating Expenses	408,744	420,794	(12,050)	323,640		2,103,970		1,467,909
Net Income(Loss) From Operations		193,253			-	576,640 ======	•	391,165 ======
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	279,133 =======	193,253						

# SMG - Van Andel Arena Grand Rapids - Kent County Convention/Arena Authority Event Summary For the Five Months Ended November 30, 2022

	Events/Days		Events/Days Attendance		Attendance		Income
Event Type	Actual	Budget	Actual	Budget	Actual	Budget	
Family Show	1	-	4,284	-	93,816	-	
Sporting Event	1	-	845	-	38,571	-	
Concert	10	14	87,750	112,000	1,339,876	1,423,240	
Team Home Games	14	10	48,967	55,000	54,608	155,850	
Other	4		26,619		361,627		
GRAND TOTALS	30	24	168,465	167,000	1,888,499	1,579,090	
As Percentage of Overall							
Family Show	3.33%	0.00%	2.54%	0.00%	4.97%	0.00%	
Sporting Event	3.33%	0.00%	0.50%	0.00%	2.04%	0.00%	
Concert	33.33%	58.33%	52.09%	67.07%	70.95%	90.13%	
Team Home Games	46.67%	41.67%	29.07%	32.93%	2.89%	9.87%	
Other	13.33%	0.00%	15.80%	0.00%	19.15%	0.00%	

**Total Liabilities and Equity** 

# Van Andel Arena Balance Sheet As of November 30, 2022

# **ASSETS**

Current Assets Cash Account Receivable Prepaid Expenses  Total Current Assets	16,386,530 1,928,359 135,884	\$18,450,773
Total Assets	====	\$18,450,773
LIABILITIES AND EQU	UITY	
Current Liabilities Accounts Payable Accrued Expenses Deferred Income Advanced Ticket Sales & Deposits	2,616,808 344,166 3,390,690 8,552,580	
Total Current Liabilities		\$14,904,244
Other Liabilities		
Equity Funds Remitted to CAA Funds Received by CAA Expenses Paid Direct by CAA Beginning Balance Equity Current Year Equity	(1,000,000) - 302,133 3,559,095 685,301	
Total Equity		\$3,546,529

\$18,450,773

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# SMG - Van Andel Arena Grand Rapids - Kent County Convention/Arena Authority Summary of Accounts Receivable As of November 30, 2022

Current - Under 30 Days	
Food & Beverage	570,747
Ticketing	626,500
Merchandise	34,181
Permanent Advertising	-
DeVos Place	(533,009)
Operating	284,195
Over 30 Days Over 60 Days	657,874 287,871
Over 90 Days	
Total Accounts Receivable	1,928,359

# SMG - Van Andel Arena & DeVos Place Grand Rapids - Kent County Convention/Arena Authority Management Fee Summary Fiscal Year Ending June 30, 2022

#### MANAGEMENT FEE SUMMARY

	Arena	DeVos Place	Total	FY 2022
	Estimate	Estimate	Estimate	Actual
Net Revenue above Expenses	2,113,516	(846,450)	1,267,066	3,012,987
Benchmark++			1,050,000	1,050,000
Excess	2,113,516	(846,450)	217,066	1,962,987

Incentive Fee Calculation (Only if above greater than zero)

Base Fee	Arena Estimate 191,321	DeVos Place Estimate 191,321	Total Estimate 382,642	Total Unaudited 371,497
Incentive Fee				
Revenue	7,163,007	6,431,141	13,594,148	14,136,872
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess Incentive Fee **	1,143,385 193,912	1,112,833 188,730	2,256,218 382,642	3,687,167 371,497
Total SMG Management Fee	385,233	380,051	765,284	742,994

<sup>\*\*</sup> Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

<sup>++</sup> SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts: Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee. Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee. Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.

# DEVOSPLACE

# **DE VOS PLACE**

# FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

#### Distribution:

Grand Rapids – Kent County Convention / Arena Authority Cheri McConomy Tony Cima Jeffrey Wong David Schmid Richard MacKeigan Chris Machuta



#### DE VOS PLACE ROLLING FORECAST FISCAL YEAR ENDING JUNE 30, 2023

	YTD Actual	Roll	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	205	227	432	368	64
ATTENDANCE	218,661	403,650	622,311	563,920	58,391
DIRECT EVENT INCOME	1,361,970	2,135,880	3,497,850	3,431,950	65,900
ANCILLARY INCOME	1,420,659	1,106,643	2,527,302	2,208,772	318,530
OTHER EVENT INCOME	575,473	249,157	824,630	538,400	286,230
TOTAL EVENT REVENUE	3,358,102	3,491,680	6,849,782	6,179,122	670,660
TOTAL OTHER REVENUE	54,254	44,405	98,659	50,000	48,659
TOTAL OPERATING REVENUE	3,412,356	3,536,085	6,948,441	6,229,122	719,319
INDIRECT EXPENSES					
EXECUTIVE	111,699	163,151	274,850	296,040	21,190
FINANCE	153,036	175,594	328,630	338,129	9,499
MARKETING	107,480	107,066	214,546	214,546	-
OPERATIONS	711,237	836,613	1,547,850	1,734,993	187,143
EVENT SERVICES	1,019,140	767,449	1,786,589	1,520,809	(265,780)
BOX OFFICE	125,029	177,850	302,879	321,544	18,665
SALES	234,620	343,254	577,874	582,879	5,005
OVERHEAD	1,235,466	1,112,404	2,347,870	2,268,651	(79,219)
TOTAL OPERATING EXP.	3,697,708	3,683,381	7,381,088	7,277,591	(103,497)
NET REVENUE ABOVE EXPENSES	(285,352)	(147,296)	(432,647)	(1,048,469)	615,822
INCENTIVE FEE		193,144	193,144	0	(193,144)
NET OPERATING REVENUE OVER	(285,352)	(340,440)	(625,791)	(1,048,469)	422,678
OPERATING EXPENSES	-			_	

#### Comments:

DeVos Place concludes the first half of the fiscal year having performed very well as compared to budget overall.

DocuSigned by:

General Manager

-DocuSigned by:

Assistant General Manager

#### DE VOS PLACE FINANCIAL STATEMENT HIGHLIGHTS FISCAL YEAR ENDING JUNE 30, 2022

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	December Actual	December Budget	December FY 2022
Number of Events	37	28	31
Attendance	47,510	39,950	34,747
Direct Event Income	\$239,914	\$202,869	\$241,255
Ancillary Income	251,735	137,146	143,443
Other Event Income	159,697	53,900	122,623
Other Operating Income	15,723	4,166	11,607
Indirect Expenses	(802,717)	(606,470)	(636,432)
Net Income	(\$135,648)	(\$208,389)	(\$117,504)

YTD	YTD 2022 Actual	YTD 2022 Budget	YTD 2021 Prior Year
Number of Events	205	172	163
Attendance	218,661	213,410	102,576
Direct Event Income	\$1,361,970	\$1,398,412	\$965,551
Ancillary Income	1,420,659	1,020,433	677,065
Other Event Income	575,473	247,800	305,429
Other Operating Income	54,254	24,996	42,852
Indirect Expenses	(3,697,708)	(3,638,820)	(2,933,580)
Net Income	(\$285,352)	(\$947,179)	(\$942,683)

#### **EVENT INCOME**

Event income came in well ahead of budget overall as the theater had very strong non-arts group events highlighted with Cocomelon and Christmas Vacation/Chevy Chase event.

#### ANCILLARY INCOME

Ancillary income came in well ahead of budget for the month due to higher than anticipated spending on a couple of the convention/trade shows hosted during the month.

#### **INDIRECT EXPENSES**

Indirect expenses came in higher than budget for the month.

#### DeVos Place Income Statement For the Six Months Ended December 31, 2023

	0 114 110			0 114 11	V	V		V
	Current Month C Actual	Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
	7 totaai	Daagot	Variation	THOI TOU	riotadi	Daagot	Variatioo	11101 1041
Event Income								
Direct Event Income								
Rental Income	\$304,448	\$198,919	\$ 105,529	\$257,029	\$1,701,195	\$1,405,152	\$ 296,043	\$1,026,383
Service Revenue	415,215	275,963	139,252	265,336	1,792,709	1,491,554	301,155	989,766
Service Expenses	(479,749)	(272,013)	(207,736)	(281,110)	(2,131,934)	(1,498,294)	(633,640)	(1,050,598)
Total Direct Event Income	239,914	202,869	37,045	241,255	1,361,970	1,398,412	(36,442)	965,551
Total Birect Event income	239,914		37,043			1,390,412	(30,442)	
Ancillary Income								
F&B Concession	36,776	17,071	19,705	22,819	147,686	71,153	76,533	75,434
F&B Catering	85,840	46,906	38,934	30,525	539,801	381,140	158,661	210,306
Novelty Sales Booth Cleaning	2,656 25,209	300 14,182	2,356 11,027	0 22,226	19,218 163,871	5,580 127,259	13,638 36,612	8,173 97,570
Telephone/Long Distance	25,209	14,102	11,027	22,220	103,671	127,259	30,012	97,570
Electrical Services	51,551	18,953	32,598	33,185	214.099	165,266	48,833	101.119
Audio Visual	18,573	15,842	2,731	9,173	187,362	145,541	41,821	89,454
Internet Services	10,894	4,586	4,764	5,681	61,430	39,658	21,772	22,559
Equipment Rental	20,236	19,306	930	19,834	87,192	84,836	2,356	72,450
Total Ancillary Income	251,735	137,146	114,589	143,443	1,420,659	1,020,433	400,226	677,065
Other Event Income								
Ticket Rebates(Per Event)	159,697	53,900	105,797	122,623	575,473	247,800	327,673	305,429
Total Other Event Income	159,697	53,900	105,797	122,623	575,473	247,800	327,673	305,429
Total Event Income	651,346	393,915	257,431	507,321	3,358,102	2,666,645	691,457	1,948,045
Total Evolt moonie								
Other Operating Income								
Luxury Box Agreements	804	1,333	(529)		4,825	7,998	(3,173)	0
Advertising	0	1,000	(1,000)		0	6,000	(6,000)	0
Other Income	14,919	1,833	13,086	11,607	49,429	10,998	38,431	42,852
Total Other Operating Income	15,723	4,166	11,557	11,607	54,254	24,996	29,258	42,852
		··	·					
Add at a 1 Comment of the comment	227 222	000 004	000 000	540.000	0.440.050	0.004.044	700 745	4 000 007
Adjusted Gross Income	667,069	398,081	268,988	518,928	3,412,356	2,691,641	720,715	1,990,897
Operating Expenses								
Salaries and Wages	680,787	315,797	364,990	484,022	2,486,340	1,894,782	591,558	1,828,225
Payroll Taxes and Benefits	177,246	99,956	77,290	130,699	742,050	599,736		595,828
Labor Allocations to Events	(444,508)	(152,700)	(291,808)	(319,087)	(1,726,310)	(916,200)	(810,110)	(1,200,143)
Net Salaries and Benefits	413,525	263,053	150,472	295,634	1,502,080	1,578,318	(76,238)	1,223,910
Net Salaries and Bellents	413,323		130,412	293,034			(70,230)	
Contracted Services	51,462	39,217	12,245	38,059	306,128	235,302	70,826	197,950
General and Administrative	34,716	39,603	(4,887)	,	271,515	237,618	33,897	184,521
Operations	1,333	13,852	(12,519)	,	106,734	83,112		63,287
Repair and Maintenance	37,930	48,667	(10,737)		272,236	292,002	,	280,187
Operational Supplies	36,587	25,675	10,912	26,649	133,612	154,050	(20,438)	102,191
Insurance	39,148	32,725	6,423	28,195	200,242	196,350	3,892	126,641
Utilities	172,073	127,734	44,339	137,411	810,006	766,404		664,724
SMG Management Fees	15,943	15,944	(1)	15,028	95,155	95,664	(509)	90,169
Total Operating Expenses	802,717	606,470	196,247	636,432	3,697,708	3,638,820	58,888	2,933,580
3 , , , , , ,								
Net Income(Loss) From Operation		(208,389)	72,741		(285,352)	(947,179)	-	(942,683)
	=======================================	========	=======	=======	=======	=======	=======	=======
Other Non-Operating Expenses								
Other Holl-Operating Expenses								
Adjusted Net Income(Loss)	(135,648)	(208,389)	72,741		(285,352)	(947,179)	661,827	(942,683)
				========				

SMG DeVos Place Grand Rapids - Kent County Convention/Arena Authority Year to Date Event Summary Report For the Six Months Ended December 31, 2022

	Events	s/Days	Attenda	Attendance		nt Income
Event Type	Actual	Budget	Actual	Budget	Actual	Budget
Convention/Trade Shows	74	102	81,529	102,710	1,391,205	1,712,596
Consumer/Gated Shows	6	6	13,603	14,000	90,068	102,033
DeVos Performance Hall	68	58	92,956	84,700	1,094,539	699,390
Banquets	16	-	11,736	-	166,583	-
Meetings	31	6	8,827	12,000	509,914	152,626
Other	10	-	10,010	-	105,792	-
GRAND TOTALS	205	172	218,661	213,410	3,358,102	2,666,645
As Percentage of Overall						
Convention/Trade Shows	36.10%	59.30%	37.29%	48.13%	41.43%	64.22%
Consumer/Gated Shows	2.93%	3.49%	6.22%	6.56%	2.68%	3.83%
Devos Performance Hall	33.17%	33.72%	42.51%	39.69%	32.59%	26.23%
Ballroom Exclusive	7.80%	0.00%	5.37%	0.00%	4.96%	0.00%
Meetings	15.12%	3.49%	4.04%	5.62%	15.18%	5.72%
Other	4.88%	0.00%	4.58%	0.00%	3.15%	0.00%

**Total Liabilities and Equity** 

# DeVos Place Balance Sheet As of December 31, 2022

# **ASSETS**

Current Assets Cash Account Receivable Prepaid Expenses	2,751,607 1,521,578 312,829	
Total Current Assets		\$4,586,014
Total Assets		\$4,586,014 
LIABILITIES AND EQ	UITY	
Current Liabilities Accounts Payable Accrued Expenses Deferred Income Advanced Ticket Sales & Deposits	304,150 61,757 363,453 2,887,339	
Total Current Liabilities		\$3,616,699
Other Liabilities		
Equity Funds Remitted to CAA Funds Received by CAA Expenses Paid Direct by CAA Paginning Release Equity	(33,000) 790,788	
Beginning Balance Equity Current Year Equity	496,878 (285,352)	
Total Equity		\$969,314

\$4,586,014

# SMG - DeVos Place Grand Rapids - Kent County Convention/Arena Authority Summary of Accounts Receivable As of December 31, 2022

Current - Under 30 Days	
Food & Beverage	122,616
Ticketing	51,549
Merchandise	-
Decorating	25,208
Audio/Visual	18,572
Van Andel Arena	514,842
Operating	607,553
Over 30 Days Over 60 Days	102,980 78,258
Over 90 Days  Total Accounts Receivable	,
Total Accounts Receivable	1,521,578

# SMG - Van Andel Arena & DeVos Place Grand Rapids - Kent County Convention/Arena Authority Management Fee Summary Fiscal Year Ending June 30, 2022

#### MANAGEMENT FEE SUMMARY

	Arena	DeVos Place	Total	FY 2022
	Estimate	Estimate	Estimate	Actual
Net Revenue above Expenses	2,381,160	(432,647)	1,948,513	3,012,987
Benchmark++			1,050,000	1,050,000
Excess	2,381,160	(432,647)	898,513	1,962,987

Incentive Fee Calculation (Only if above greater than zero)

	Arena Estimate	DeVos Place Estimate	Total Estimate	Total Unaudited
Base Fee	191,321	191,321	382,642	371,497
Incentive Fee				
Revenue	7,618,978	6,948,441	14,567,419	14,136,872
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess Incentive Fee **	1,599,356 189,498	1,630,133 193,144	3,229,489 382,642	3,687,167 371,497
Total SMG Management Fee	380,819	384,465	765,284	742,994

<sup>\*\*</sup> Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

<sup>++</sup> SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts: Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee. Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee. Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



# VAN ANDEL ARENA

# FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

PROUD HOME OF THE GRAND RAPIDS GRIFFINS AND GRAND RAPIDS GOLD

#### Distribution:

Grand Rapids – Kent County Convention / Arena Authority Cheri McConomy Tony Cima Jeffrey Wong David Schmid Richard MacKeigan Chris Machuta



VAN ANDEL ARENA ROLLING FORECAST FISCAL YEAR ENDING JUNE 30, 2023

	YTD	ROLL	TOTAL FYE	BUDGET FYE	VARIANCE
NO. EVENTS	45	68	113	86	27
ATTENDANCE	264,423	343,000	607,423	561,500	45,923
DIRECT EVENT INCOME	869,444	734,295	1,603,739	1,401,940	201,799
ANCILLARY INCOME	1,288,066	1,006,055	2,294,121	1,716,326	577,795
OTHER EVENT INCOME	848,286	502,500	1,350,786	1,195,500	155,286
TOTAL EVENT INCOME	3,005,796	2,242,850	5,248,646	4,313,766	934,880
TOTAL OTHER INCOME	1,155,332	1,215,000	2,370,332	2,328,600	41,732
TOTAL INCOME	4,161,128	3,457,850	7,618,978	6,642,366	976,612
INDIRECT EXPENSES					
EXECUTIVE	128,495	164,495	292,990	291,542	(1,448)
FINANCE	126,763	142,986	269,749	282,455	12,706
MARKETING	162,335	174,874	337,209	327,145	(10,064)
OPERATIONS	1,336,771	1,216,347	2,553,118	2,342,866	(210,252)
BOX OFFICE	113,853	135,236	249,089	284,042	34,953
SKYWALK ADMIN	9,875	12,650	22,525	54,100	31,575
OVERHEAD	778,488	734,650	1,513,138	1,467,341	(45,797)
TOTAL INDIRECT EXP.	2,656,579	2,581,238	5,237,818	5,049,491	(188,327)
NET REVENUE ABOVE EXPENSES	1,504,549	876,612	2,381,160	1,592,875	788,285
LESS INCENTIVE FEE		189,498	189,498	-	(189,498)
NET REVENUE ABOVE EXPENSES AFTER INCENTIVE	1,504,549	687,114	2,191,662	1,592,875	598,787

#### Comments:

December marks the end of a very successful first half of the fiscal year for the Arena. The second half is projected to finish a little ahead of budget that should result in the Arena finishing the fiscal year almost \$800K ahead of budget. PHIMY

General Manager

-DocuSigned by:

Assistant General Manager

# VAN ANDEL ARENA FINANCIAL STATEMENT HIGHLIGHTS FOR FISCAL YEAR ENDING JUNE 30, 2023

The following schedule summarizes operating results for both the current month and Year to Date as compared to budget and prior year:

MONTH	December Actual	December Budget	December FY 2022
Number of Events	15	8	12
Attendance	95,958	56,500	62,598
Direct Event Income	\$429,343	\$183,595	\$175,096
Ancillary Income	399,728	137,196	207,379
Other Event Income	288,225	153,000	152,848
Other Operating Income	243,802	205,722	178,724
Indirect Expenses	(541,849)	(420,794)	(386,933)
Net Income	\$819,249	\$258,719	\$327,114

YTD	YTD 2023 Actual	YTD 2023 Budget	YTD 2022 Prior Year
Number of Events	45	30	37
Attendance	264,423	209,500	192,755
Direct Event Income	\$869,444	\$737,245	\$729,151
Ancillary Income	1,288,066	724,296	748,740
Other Event Income	848,286	693,000	541,688
Other Operating Income	1,155,332	1,205,582	553,542
Indirect Expenses	(2,656,579)	(2,524,764)	(1,854,842)
Net Income	\$1,504,549	\$835,359	\$718,279

### **EVENT INCOME**

Income came in well ahead of budget on TSO, Great Lakes Invitational, and 2 additional sold out concerts.

#### ANCILLARY INCOME

Ancillary income finished well ahead of budget on strong per caps for Great Lakes Invitational and Grand Rapids Griffins games.

#### INDIRECT EXPENSES

Indirect expenses came in higher than budget for the month.

#### Van Andel Arena Income Statement For the Six Months Ended December 31, 2022

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	Year to Date Actual	Year to Date Budget	Variance	Year to Date Prior Year
	Actual	Dudget	variance	THOI TEAT	Actual	Dudget	Variation	THOI TEAL
Event Income Direct Event Income Rental Income Service Revenue Service Expenses	\$ 680,130 400,310 (651,097)	244,000	156,310 (358,097)	392,753 (559,424)	1,909,669 (2,550,801)	, , ,	745,669 (1,097,801)	. , , ,
Total Direct Event Income	429,343		245,748					
Ancillary Income F&B Concession F&B Catering Novelty Sales Booth Cleaning Audio Visual Other Ancillary  Total Ancillary Income	355,948 33,534 9,942 304 - - - - - - 399,728	117,359 11,719 8,118 - - - - - - 137,196	238,589 21,815 1,824 304 - - - 262,532	174,947 17,176 11,756 - 3,500 - 207,379	1,098,856 108,698 79,572 304 636 -	606,959 62,419 54,918 - - - - 724,296	491,897 46,279 24,654 304 636 - 	634,729 51,500 58,916 - 95 3,500 
		•	•			,	,	,
Other Event Income Ticket Rebates(Per Event)	288,225	153,000	135,225	152,848	848,286	693,000	155,286	541,688
Total Other Event Income	288,225	153,000	135,225	152,848	848,286	693,000	155,286	541,688
Total Event Income	1,117,296	473,791	643,505	535,323	3,005,796	2,154,541	851,255	2,019,579
Other Operating Income Luxury Box Agreements Advertising Other Income	146,873 48,000 48,929	147,638 52,084 6,000	(765) (4,084) 42,929	38,000	793,135 308,270 53,927	857,078 312,504 36,000	(63,943) (4,234) 17,927	114,000
Total Other Operating Income	243,802	205,722	38,080 	178,724	1,155,332	1,205,582	(50,250)	553,542
Adjusted Gross Income	1,361,098	679,513	681,585	714,047	4,161,128	3,360,123	801,005	2,573,121
Operating Expenses Salaries and Wages Payroll Taxes and Benefits Labor Allocations to Events  Net Salaries and Benefits	352,230 101,812 (197,397) <b>256,645</b>		150,896 41,693 (114,511) <b>78,078</b>					
			·	·				
Contracted Services General and Administrative Operations Repair and Maintenance Operational Supplies Insurance Utilities SMG Management Fees	33,199 39,261 4,917 24,009 21,656 54,607 91,612 15,943	36,600 33,831 7,184 31,375 23,017 23,667 70,609 15,944	(3,401) 5,430 (2,267) (7,366) (1,361) 30,940 21,003	48,126 1,394 22,342 10,578 31,057 66,412	211,607 250,762 34,316 245,924 126,321 169,592 407,662 92,915	423,654		194,034 14,110 133,291 79,454 112,994 339,241
Total Operating Expenses	541,849	420,794	121,055	386,933	2,656,579	2,524,764	131,815	1,854,842
Net Income(Loss) From Operations	•	258,719		•		835,359		•
Other Non-Operating Expenses								
Adjusted Net Income(Loss)	819,249	258,719	560,530					718,279

# SMG - Van Andel Arena Grand Rapids - Kent County Convention/Arena Authority Event Summary For the Six Months Ended December 31, 2022

	Essente	/D	Attenda		Total Event	. T
Event Type	Events Actual	Budget	Attenda Actual	nce Budget	Actual	Budget
Family Show	1	-	4,284	-	93,816	-
Sporting Event	3	-	15,064	-	317,060	-
Concert	13	17	115,900	138,000	1,724,514	1,731,678
Team Home Games	21	13	76,235	71,500	77,438	202,605
Other	7		52,940		792,968	220,258
GRAND TOTALS	45	30	264,423	209,500	3,005,796	2,154,541
As Percentage of Overall						
Family Show	2.22%	0.00%	1.62%	0.00%	3.12%	0.00%
Sporting Event	6.67%	0.00%	5.70%	0.00%	10.55%	0.00%
Concert	28.89%	56.67%	43.83%	65.87%	57.37%	80.37%
Team Home Games	46.67%	43.33%	28.83%	34.13%	2.58%	9.40%
Other	15.56%	0.00%	20.02%	0.00%	26.38%	10.22%

**Total Liabilities and Equity** 

# Van Andel Arena Balance Sheet As of December 31, 2022

# **ASSETS**

Current Assets Cash Account Receivable Prepaid Expenses  Total Current Assets	16,771,836 1,729,839 216,431	\$18,718,106
Total Assets	====	\$18,718,106 
LIABILITIES AND EQU	JITY	
Current Liabilities Accounts Payable Accrued Expenses Deferred Income Advanced Ticket Sales & Deposits	2,518,617 544,179 3,305,587 9,396,140	
Total Current Liabilities		\$15,764,523
Other Liabilities		
Equity Funds Remitted to CAA Funds Received by CAA Expenses Paid Direct by CAA Beginning Balance Equity Current Year Equity	(2,500,000) - 389,939 3,559,095 1,504,549	
Total Equity		\$2,953,583

\$18,718,106

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# SMG - Van Andel Arena Grand Rapids - Kent County Convention/Arena Authority Summary of Accounts Receivable As of December 31, 2022

Current - Under 30 Days	
Food & Beverage	640,390
Ticketing	592,631
Merchandise	2,137
Permanent Advertising	-
DeVos Place	(312,819)
Operating	368,556
Over 30 Days Over 60 Days	113,457 325,487
Over 90 Days	
Total Accounts Receivable	1,729,839

# SMG - Van Andel Arena & DeVos Place Grand Rapids - Kent County Convention/Arena Authority Management Fee Summary Fiscal Year Ending June 30, 2022

#### MANAGEMENT FEE SUMMARY

	Arena	DeVos Place	Total	FY 2022
	Estimate	Estimate	Estimate	Actual
Net Revenue above Expenses	2,381,160	(432,647)	1,948,513	3,012,987
Benchmark++			1,050,000	1,050,000
Excess	2,381,160	(432,647)	898,513	1,962,987

Incentive Fee Calculation (Only if above greater than zero)

Base Fee	Arena Estimate 191,321	DeVos Place Estimate 191,321	Total Estimate 382,642	Total Unaudited 371,497
2.000 1 00	15 1,6 = 1	191,021	202,0.2	271,137
Incentive Fee				
Revenue	7,618,978	6,948,441	14,567,419	14,136,872
Benchmark Revenue	6,019,622	5,318,308	11,337,930	10,449,705
Revenue Excess	1,599,356	1,630,133	3,229,489	3,687,167
Incentive Fee **	189,498	193,144	382,642	371,497
Total SMG Management Fee	380,819	384,465	765,284	742,994

<sup>\*\*</sup> Incentive fee is 25% of the first \$500,000 in excess, 30% of remaining capped at base fee amount.

<sup>++</sup> SMG will be eligible for an Incentive fee if Net Revenues exceed Expenses by the following amounts: Equal to \$850,000 and less than \$950,000 shall be paid at 50% of calculated fee. Equal to \$950,000 and less than \$1,050,000 shall be paid at 75% of calculated fee. Equal to \$1,050,000 and above shall be paid at 100% of calculated fee.



# Memorandum

To: Jay Preston, Finance Committee Chairperson

**CAA Board** 

From: Susan Waddell, Administrative Manager

**Subject:** Auto Parking System Periodic Reporting

Date: February 3, 2023

The previously (6/5/20) adopted "Parking Operation Agreement" requires the City-Auto Parking System to provide a quarterly report regarding City/County utilization of discounted DeVos Place® monthly parking passes. The content of this 2nd quarter (FY23) periodic report includes the following information:

A) "... the number of current City and County passes outstanding ..."

The City currently holds 118 monthly passes. The County currently holds 178 monthly passes.

B) "... the increase and/or decrease in such City and County passes since the prior report ..."

The City neither increased nor decreased the number of passes out between 10/1/22 and 12/31/22.

The County decreased the number of passes out by 2 between 10/1/22 and 12/31/22.

C) "... a calculation of the difference between the then current market rate for monthly passes for the Parking Spaces and the then current rate for monthly passes by the City and County."

The current (public) monthly pass rate is \$159, while the discounted City/County rate is \$58.45.

The City currently holds 118 passes with a total annualized discount of \$142,379. The County currently holds 178 passes with a total annualized discount of \$214,775.

Attached with this correspondence is a copy of the quarterly report from City-Auto Parking System.

Cc: Richard MacKeigan

Account	Previous End of Quarter Space Count Q3 FY22	Total Spaces End of Q4 FY22	Space Count Change	Current Monthly Market Rate Price Difference EOQ*	Monthly Price Difference Variance, Prev Quarter
17 <sup>th</sup> Circuit Court	30	28	-2	\$2,815.40	(\$201.10)
KC Facilities Management	150	150	0	\$15,082.50	\$0.00
City of GR	118	118	0	\$11,864.90	\$0.00
Total	298	296	-2	\$29,762.80	(\$201.10)

<sup>\*</sup>Current Market Rate is \$159 monthly, City/County Contractual Rate is \$58.45 monthly, effective 7/1/2022.

# County of Kent, Michigan Lodging Excise Tax Fund

# Statement of Revenues, Expenditures, and Changes in Fund Balance Third Quarter Ended September 30th

	Year - to - Year Comparison		Q3 Comparison							
	2	021 Actual	2	022 Budget	% Change		2021		2022	% Change
Revenues:										
Taxes	\$	8,968,752	\$	9,750,000	8.7%	\$	5,523,872	\$	8,499,445	53.9%
Investments, Rents & Royalties		33,269		100,000	200.6%		27,167		50,379	85.4%
Other Revenue		10,725		7,600	-29.1%		7,395		9,548	29.1%
Transfers In - General Fund		-		300,000	NA		-		-	NA
Total Revenues		9,012,746		10,157,600	12.7%		5,558,434		8,559,373	54.0%
Expenditures:										
DeVos Place Debt Service		7,981,750		8,280,400	3.7%		18,300		12,400	-32.2%
Experience Grand Rapids		1,591,954		2,000,000	25.6%		980,487		1,529,900	56.0%
Administration		128,238		133,525	4.1%		95,335		99,696	4.6%
Contributions - Festival		10,000		10,000	0.0%		10,000		-	-100.0%
Transfers Out - General Fund		-		-	NA		-		-	NA
Total Expenditures		9,711,942		10,423,925	7.3%		1,104,122		1,641,996	48.7%
Net Revenue (Expense)		(699,196)		(266,325)	-61.9%		4,454,311		6,917,377	55.3%
Fund Balance - Beg		7,893,175		7,193,979	-8.9%					
Fund Balance - End	\$	7,193,979	\$	6,927,654	-3.7%					

# Lodging Excise Tax Fund Notes to Financial Statement

#### **Financial Status**

This financial report compares activity for 2021 and 2022. Through the end of the quarter, revenues have increased from \$5.6 million to \$8.6 million, or 54.0% over a comparable period in the prior fiscal year. Transient tax revenues make up most of the revenues and are recovering from the recession faster than originally forecasted. Furthermore, transient tax revenues are estimated to generate \$13.0 million for the fiscal year, which would be higher than pre-COVID collection levels.

#### General Fund Advance

The County General Fund advanced \$7.1 million to the Lodging Excise Tax Fund from 2009 to 2015; \$1.1 million was reimbursed in 2019; and another \$4.0 million was advanced in 2020. The current outstanding balance is \$10.0 million and is expected to be reimbursed in installments starting in 2023-24.

# GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY

RESOLUTION AUTHORIZING A SECOND MEMORANDUM OF UNDERSTANDING BETWEEN THE GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY AND THE GRAND ACTION FOUNDATION 2.0

Boardmember	_, supported by Boardmember	, moved
the adoption of the following resolution:		

**WHEREAS**, the CAA is an authority created by the City of Grand Rapids (the "City") and the County of Kent (the "County") pursuant to Act 203 of the Public Acts of Michigan of 1999, as amended, for the purpose, in part, of the development and operation of certain facilities including entertainment facilities including a public outdoor amphitheater; and

**WHEREAS,** GA2.0 is a 501c(3) organization and a Michigan nonprofit corporation formed for civic purposes including gaining private and public support for public facilities including a public outdoor amphitheater; and

**WHEREAS**, for the past three years the CAA and GA2.0 have worked together with the City and others toward the development, funding and construction of a public outdoor amphitheater to be located at, or in the vicinity of, 201 Market Avenue in the City (the "Amphitheater"); and

WHEREAS, the CAA currently holds the Option to purchase certain real property consisting of approximately 15.8 acres located at 201, 225, 233, 301, and 353 Market Avenue (the "201 Market Property"); and

**WHEREAS,** the CAA and GA2.0 previously entered into an MOU for the purpose of reaching agreements regarding the development, funding, construction, ownership and operation of the Amphitheater (the "MOU"); and .

**WHEREAS**, the CAA and GA2.0 now wish to enter into a second MOU (the "Second MOU") for the purpose of reaching an agreement regarding the development of the parcels surrounding,

and related to, the Amphitheater.

**RESOLVED**:

1. That the CAA determines to enter a Second Memorandum of Understanding with

GA2.0 in order to further the development of the parcels surrounding and related to the

Amphitheater and the Chairperson of the Board is authorized and directed to execute said

agreement.

2. That all resolutions or parts of resolutions in conflict herewith shall be, and the

same are hereby, rescinded.

YEAS:	Boardmembers		
NAYS:	Boardmembers		
ABSTAIN:	Boardmembers		
ABSENT:	Boardmembers		
RESOLUTION DECLARED ADOPTED.			
Dated: February 3, 2023			
	Susan M. Waddell		

Administrative Manager/Recording Secretary

-2-

#### **CERTIFICATION**

I, the undersigned duly qualified and acting Administrative Manager/Recording Secretary of the Grand Rapids-Kent County Convention/Arena Authority (the "CAA"), do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the CAA Board at a regular meeting held on February 3, 2023, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: February 3, 2023

Susan M. Waddell

Administrative Manager/Recording Secretary

#### SECOND MEMORANDUM OF UNDERSTANDING

THIS SECOND M	EMORANDUM OF UNDERSTAN	<b>DING</b> (the "SECOND MOU")
is entered into on	, 2023 (the "Effective	Date"), between the GRAND
RAPIDS-KENT COUNTY	Y CONVENTION/ARENA AUTH	ORITY (the "CAA") and the
<b>GRAND ACTION FOUNI</b>	DATION 2.0 ("GA2.0").	

#### RECITALS

- A. The CAA is an authority created by the City of Grand Rapids (the "City") and the County of Kent (the "County") pursuant to Act 203 of the Public Acts of Michigan of 1999, as amended, for the purpose, in part, of the development and operation of certain facilities including entertainment facilities including a public outdoor amphitheater.
- B. GA2.0 is a 501c(3) organization and a Michigan nonprofit corporation formed for civic purposes including gaining private and public support for public facilities including a public outdoor amphitheater.
- C. For the past three years the CAA and GA2.0 have worked together with the City and others toward the development, funding and construction of a public outdoor amphitheater to be located at, or in the vicinity of, 201 Market Avenue in the City (the "Amphitheater").
- D. The CAA currently holds the Option to purchase certain real property consisting of approximately 15.8 acres located at 201, 225, 233, 301, and 353 Market Avenue (the "201 Market Property").
- E. The CAA and GA2.0 previously entered into an MOU for the purpose of reaching agreements regarding the development, funding, construction, ownership and operation of the Amphitheater (the "MOU").
- F. The CAA and GA2.0 now wish to enter into this second MOU (the "Second MOU") for the purpose of reaching an agreement regarding the development of the parcels surrounding, and related to, the Amphitheater.

### **UNDERSTANDING**

- 1. <u>Development of Parcels Surrounding and Related to Amphitheater.</u> Subject to the terms and conditions of this Second MOU, the CAA shall develop or cause to be developed the parcels surrounding and related to the Amphitheater, in accordance with the CAA's Articles of Organization and Operating Agreement both dated March 29, 2000, as amended, in such a way that compliments the Amphitheater.
- 2. <u>Continuing Support of GA2.0</u>. Consistent with GA2.0's purposes of assisting governmental bodies and public-private partnerships, among others, in planning, promoting, and developing civic, cultural, entertainment, and other facilities, with the goal of fostering economic, educational, social, and cultural development, GA2.0 shall continue its relationship with the CAA by providing ongoing support in the development of the parcels surrounding and related to the Amphitheater through advice, oversight and direction to the CAA, including initiating

communication and solicitation of proposals for development of such parcels in a manner complementary to the Amphitheater, in accordance with this Second MOU.

- 3. <u>Work-Product</u>. Upon request, GA2.0 will provide, and where required assign, to the CAA all existing design, budgeting and research work related to the development of the parcels surrounding and related to the Amphitheater.
- 4. <u>Contracts and Agreements</u>. Upon request, GA2.0 will assign and the CAA will accept and assume all currently existing and future agreements and contracts related to the development of the parcels surrounding and related to the Amphitheater, including the substitution of the CAA for GA2.0 with respect to the benefits, rights and obligations under such agreements and contracts or the CAA may sign such original agreements directly with the contract providers. Each such agreement shall be subject to its approval by the CAA as to content and form.
- 5. <u>Design/Build Committee.</u> Upon execution of this Second MOU, the Design/Building Committee created pursuant to the first MOU and comprised of representatives of the CAA, GA2.0, the City, and the County shall continue to meet and shall review and consider appropriate development proposals received in relation to development of the surrounding parcels.
- Representations and Warranties. The CAA and GA2.0 hereby each represent, warrant and covenant that: (i) it shall comply with all applicable federal, state and local laws, rules and regulations in carrying out its obligations hereunder; (ii) it has the power and authority to execute and deliver this Second MOU and to perform its obligations hereunder, and the execution, delivery and performance of this Second MOU has been duly and validly authorized and approved; (iii) the execution, delivery and performance by each in accordance with the terms herein of this Second MOU (1) does not and will not constitute a violation or a breach of, or constitute a default under (x) its organizational documents, (y) any applicable law, or (z) any material agreements to which it is a party; (iv) there are no claims, demands, actions or proceedings pending, or to its knowledge, threatened against it that could either individually or in the aggregate reasonably be expected to have a material adverse effect on its ability to perform its obligations hereunder; (v) each is duly formed, validly existing and in good standing under the laws of the State of Michigan, with full power and authority to conduct its business as presently conducted; (vi) this Second MOU has been duly executed and delivered by each; and (vii) the execution, delivery and performance of this Second MOU by each does not require approval by any person except to the extent provided herein with respect to certain third party approvals.
- 7. Relationship of Parties. It is mutually understood and agreed that the CAA and GA2.0 and their respective employees and agents are at all times acting and performing separately and independently of each other and shall in no way or manner represent themselves as agents or employees of the other party. As such, no party shall incur any expenses nor create any liens, encumbrances or legal obligations in the other party's name or against the other party's interests except as contemplated by this Second MOU. This Second MOU shall not create a joint venture, partnership, or relationship of principal and agent or employer and employee between the CAA and GA2.0, except as contemplated by this Second MOU.

**IN WITNESS WHEREOF,** the CAA and GA2.0 have caused this Second MOU to be duly executed by their authorized representatives as of the Effective Date.

# GRAND RAPIDS-KENT COUNTY CONVENTION/ARENA AUTHORITY

By: _		
•	Richard MacKeigan	
	Executive Director	
GRAND ACTION FOUNDATION 2.0		
By: _		
	Thomas G. Welch, Jr.	
	Co-Chair and Treasurer	

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